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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #00241-84
12 January 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : Chairman, National Intelligence Council
Vice Chairmen, National Intelligence Council

FROM : Fritz W. Ermarth
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SUBJECT : US-Soviet Relations -- Some Basics

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1. As a continuation of our discussion with you last Friday, []
[] I wish to offer you some additional thoughts that may be of use in
deliberations on the President's address on US-Soviet relations and the
Schultz-Gromyko meeting in Stockholm.

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2. The President intends, evidently, to present a cautious effort to
improve the dialogue with the Soviets somewhat and to lower the level of
rancor in public exchanges, continuing a trend he clearly signalled in his
Time interview and hoping to reinforce a slight moderation of Soviet tone
since mid-December. State/EUR is trying to push a more ambitious agenda for
Stockholm than other agencies favor, hoping to get real movement in some
areas, perhaps START, conceivably Southern Africa or the Middle East. But
nobody is very optimistic about the immediate Soviet response. The payoff
is expected to be in domestic and allied reaction.

3. I have the impression that short-term considerations tend to
dominate most people's thinking about this particular point in US-Soviet
relations. Their time perspective is bounded by the KAL shootdown in the
past and the US election in the future. It may be helpful to take a much
longer time perspective, placing this phase of the US-Soviet relationship in
the context of history and the broad array of problems the Soviets face.

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Soviet Strategic Disappointment

4. Ninety percent of what's "bad" about US-Soviet relations today stems from the mood of disappointment and frustration in Moscow. The Reagan Administration's behavior and other circumstances are denying the Soviets the easy expansion of their international power which they believe they have already earned by virtue of their massive military buildup in the 1960s and 1970s. Historic political trends favoring that expansion in which they had confidence at least through the late 1970s have been stalled or even reversed. They cannot quite believe this is happening; they are debating the causes and durability of the negative international trends they see; and they are clearly undecided what to do about them. The process of policy adjustment is seriously complicated by the process of leadership transition currently going on in Moscow, which tends to turn policy issues into weapons in the struggle for personal position.

5. In the Soviet mood there is without doubt a genuine element of anxiety about the future. The "war scare" much reported lately from the Soviet Union has been artificially hyped for domestic and foreign propaganda purposes. Seeing that they overdid it a bit, the Soviets are now cranking this back.

6. They are nevertheless fearful on three counts. First, in the long run, say by the early 1990s, the military programs initiated by this US administration could erode and even reverse the strategic advantages now enjoyed by the USSR, especially in Eurasian theaters. Second, in order to improve their international fortunes, the Soviets believe that they may have to take some initiative in an area of contest with the US, e.g., the Middle East, that carries a high risk of military confrontation. They believe this may be required to discredit the anti-Sovietism of the current US Administration. But they don't like to take risks for their political gains, and long thought that by building up their strategic and general purpose military power, they would so intimidate their immediate neighbors (and those neighbors' American protector) that risky action would not be necessary. And third -- although I think this is least likely in the Soviets' mind -- there is the possibility that the Reagan Administration will deliberately initiate some kind of confrontation to press its counterattack against the Soviet international position.

7. The international challenges confronting the USSR around the globe have been surveyed for you in a number of memos over the past few months. Just to recapitulate them briefly:

- + Reagan's confident and unapologetic anti Sovietism;
- + US military programs;
- + New US willingness to engage military power abroad;

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- + INF deployments progressing in Europe against the sternest Soviet opposition;
- + Little leverage on the Middle East despite a Soviet claim to a major security role on historic and geographic grounds;
- + Sharp limits to the improvement of Sino-Soviet relations, a China made more confident by the resurgence of US willingness to act against the Soviets and to improve Sino-US relations;
- + Continued instability in East Europe;
- + The vulnerability of Soviet power projection experiments at a distance (Central American, Southern Africa) to determined countermeasures by the US and others;
- + Frosty relations with a great many countries (witness the many diplomatic expulsions of the last year).
- + Inconclusive campaigning in Afghanistan.

All these phenomena coincide with heightened Soviet leadership awareness of internal economic and social weaknesses in the USSR.

Moscow's Debates about the US Challenge

8. The Soviet outlook is not universally bleak, by any means. Soviet international observers point to several major -- what they called "objective" -- factors to support a more positive assessment. First, the overall military power of the USSR is unprecedentedly great, particularly in those nearby regions of Eurasia which are the main targets of the geopolitical competition with the US. Sooner or later, say some Soviet commentators, US policymakers will have to adjust to "objective military realities." Second, the political stalwartness and economic health of US allies are not assured in the long run; US problems of alliance management are likely to deepen. And third, the willingness of the US public to sustain the Reagan Administration's resurgence of international assertiveness, its rearmament programs, and a fairly high level of US-Soviet acrimony is subject to doubt.

9. Soviet experts and senior functionaries are publicly debating these pluses and minuses, and the top Soviet leadership is surely assessing them as well. The pertinent spectrum of views includes no doves that I can see, in the sense of people seriously calling for accommodation to US positions. Nor do there appear to be any extreme hawks who are calling for deliberate confrontation with the US to turn around unfavorable international trends,

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but there are differences of view with differential policy implications. One group appears to believe that the Reagan Administration and other negative international phenomena are essentially transitory aberrations in basic trends which favor the USSR. Another set of opinions appears to see the anti-Soviet internationalism of the US at present as deep and durable. Exactly what policy alternatives these analyses support is not clear. But it is evident that how to respond to the US challenge is being debated: Must (can) defense efforts be increased? Or is patient pursuit of established programs sufficient? Should the USSR accept greater risks in regional contests with the US and its allies (e.g., Middle East, Central America, Southern Africa) to show that Reaganism is too dangerous? Or can Moscow wait to let this episode in US politics pass?

10. Neither of these broad viewpoints necessarily excludes some tactical softening of Soviet demeanor for the purposes of appealing to US allies, publics, or the political instincts of the Administration itself. For the moment, Soviet leaders appear to remain convinced that their interests are best served by trying to blame the bad US-Soviet atmosphere on the US while taking very discreet steps to see that it gets no worse and that communications stay open (as they clearly have done).

Impact of Leadership Transition

11. We do not know exactly what shape Andropov and his leadership are in at present. He could be very much in charge, despite disabilities that keep him from public view. Or, we could be seeing a dominant faction, initially formed by and supportive of Andropov personally, which still depends on the image of his power while it organizes its political base for the time of his departure. The key figures in this group include Ustinov and Gromyko. We can, however, be fairly confident in making several points of direct relevance to US policy:

- + Whatever Andropov's condition, decisionmaking in Moscow is collective. The senior Politburo members will all be involved in deliberations on any moves toward the US;
- + Soviet decisionmaking is not paralyzed, but major initiatives from the Soviet side and fundamental revisions of policy are highly unlikely until a clearly identifiable and recognized leader emerges. The debate on the nature of the US challenge and how to respond to it more effectively is unlikely to be resolved soon.

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- + The Andropov leadership and, in all probability, the leading roles of his senior colleagues Ustinov and Gromyko, are themselves transitional. Their historic function will probably turn out to be the bringing in of a more lasting, somewhat younger leadership cadre throughout the political system, whose mission in turn will be the restoration of Soviet economic vitality and the selection of some durable general line in foreign policy. This process will take several years yet, even if Andropov were replaced for health reasons in the near future.

What US-Soviet Business is Possible?

12. The Soviet leadership is made up of men who realize, individually more than collectively, that time is running out on past domestic and foreign policies. But the nature of the present leadership constellation inhibits the resolution of major policy debates and the sustained pursuit of major new initiatives. In foreign policy, this leadership can react within narrow limits, but its reactions may not be timely or skillful. Carefully planned and executed policy initiatives will be difficult for it to accomplish; at the same time it may be prone to unpredictable lurches of policy stemming from internal struggles.

13. This is a Soviet leadership that can avoid dangerous trouble with the United States if it is constantly reminded of the focus of US interests and the limits of US tolerance. If, on the other hand, it hears a muted or confused statement of US positions, particularly on the issues that harbor a potential for confrontation, there is a greater-than-usual risk that internal political struggle could distort Moscow's perceptions of likely US reactions in dangerous ways. (Korea 1950 and Cuba 1962 show this danger is severe enough when the Kremlin is in firm hands).

14. Because the present Soviet leadership is transitional in nature, messages to it are very much part of the educational process of the new set of leaders yet to emerge. All things being equal, the next generation of Soviet leaders is in the Politburo and the central governing apparatus will come to power with attitudes tending to support even more assertive and competitive policies toward the US than their predecessors. But in some areas they coexist with newly pessimistic impressions about Soviet power and society that imply a less combative foreign policy agenda if they became dominant. Overall we believe the following points capture the attitudes of the newly emerging Soviet leadership generation:

- + They are nationalistic and authoritarian in political values; there are very few real liberalizers;

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- + They take for granted the right of the USSR to a global role but they perceive new obstacles in attaining it;
- + They have been taught to regard US retreat from international dominance as the natural trend in world affairs; but they see contrary US behavior.
- + They believe that rightminded people should defer to Soviet military might; but for various reasons this does not happen automatically
- + They are less conscious than their elders of the dangers of international pushiness;
- + They believe that pragmatic management and technical expertise can substantially improve the performance of the Soviet economy; but they are increasingly impressed with the depth of the USSR's economic distress.

15. This dominant outlook alone will not be conducive to an easy stabilization of US-Soviet relations on terms we would find acceptable. But it can be shaped in constructive directions in the years immediately ahead. That is, the recessive or caution inducing strains can be reinforced. What the US does and says can persuade the new Soviet leaders that a) the US is not going to give way under some convenient political formula to the expansion of Soviet imperial influence in the world, b) that extended Soviet efforts to get control in various responses at US expense will expose the Soviets to dangerous and humiliating defeats, potentially threatening to the legitimacy of the regime at home, and c) the need to avoid a nuclear conflict will not prevent the US from those military and political steps that thwart the expansion of the Soviet empire, or undermine its vulnerable elements.

16. The US is currently trying to recreate a containment structure in a more perilous military situation and a more undisciplined political situation (at home and among allies) than it enjoyed in the late 1940s and early 1950s. What outrages the Soviets so greatly about the Reagan Administration is that they see it making a credible start at this historic mission, something they thought next to impossible by the end of the 1970s. The central task of the US-Soviet dialogue for years to come will to to sustain and increase that credibility. The more positive agenda of arms control, regional accommodation on security problems, and economic interactions depends havily on that central task being successfully and constantly fulfilled.



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